

Grants Insurance Coverage Training

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08 2021

Purpose of Insurance

- Insurance transfers the risk or possibility of loss from one party (the insured) to another (the insurance company).
- The insurer promises to pay on behalf of the insured, if an “insured” loss occurs.



- Proper insurance coverage and limits are critical
- Protects the District AND the vendor/contractor

Insurance is Mandatory

- Applies to all contracts / grants for supplies, services and construction for or on behalf of the District
- Requires the vendor / contractor / grantee to be liable for any damage caused by their negligence



- Insurance is critical part of any business plan and provides protection for ALL services provided, not just specific contracts for / grants from the District.

Why?

- **Protect and minimize risk for the District of Columbia**
- **Provide a form of protection against possible financial loss:**
 - **Damage to the District's assets – buildings, fleet, equipment, fine arts, etc.**
 - **Liability caused by others (contractors, vendors, grantees) who perform work on behalf of the District**
- **Ensure vendors / contractors / grantees are adequately protected and remain financially sound, should a loss occur**

Insurance Program's Functions:

- Annual review solicitations to determine the appropriate amount and type of insurance for vendor / contractor / grantee agreements
 - Contracts/Grants excess \$100,000
 - ALL contracts/grants for “high” risk exposures - regardless of size:
 - Children
 - Construction
 - Cyber
 - Disabled/Elderly
- Assure compliance with insurance requirements
- Offer monthly training sessions

Protection – Risk Transfer

- Transferring the risk of accidental loss under contractual relationships is necessary to protect the interests of the District.
- District's contractors/vendors/grantees are in the best position to control and manage the District's loss exposure
- Proper insurance coverage and limits are critical
- Protects the District AND the vendor/contractor/grantee

Insurance Coverages Standard Provisions

Mandatory:

- “The Government of the District of Columbia” is named as an additional insured for work performed / services provided on its behalf
- Vendor’s/contractor’s/grantee’s coverage will be primary and non-contributory.
- A waiver of subrogation in favor of the Government of the District of Columbia
- Policy limits do not equate to contract cost/grant amount.
- NOTE - Standard coverages for most contracts/grants:
 - General Liability (GL)
 - Auto Liability (AL)
 - Workers Compensation (WC) / Employer’s Liability (EL)

Additional Insurance Coverages Based on Exposures

- Umbrella Coverage
- Builders Risk
- Crime
- **Cyber Liability**
- Employment Practices Liability
- Environmental Liability
- Installation Floater
- Medical Malpractice Liability
- Owners & Contractors Protective
- Professional Liability
- Railroad Protective
- Sexual Abuse / Molestation
- US Longshoreman & Harbor Workers Act (USL&H)

Cyber Liability

- **Cyber Liability – covers the risk’s liability for a data breach in which their customers' personal information is exposed /hacked or stolen via the firm's electronic network.**
 - Day-to-day use of information and data through the use of computer systems and the internet
 - Personal info – credit cards, health info, confidential business info, personal identifiable info
 - Lost data – laptops, smart phones
- **Any business that uses technology and/or collects data is at risk**
- **The average cost to rectify a data breach exceeds \$7 million – many businesses, especially the smaller firms cannot withstand the loss and fail.**
 - Notification of customers and post breach responses – mandatory by law – exceed \$1.7 million

COVID

- **Some can expect COVID exclusions on their policy.**
- **If an exposure exists – there must be a plan for effective management of exposures to assure safety.**
- **They must be able to explain/provide written documentation of their risk management process regarding protection/prevention.**
- **It should not be a “surprise” when the question is asked.**





1 over 1

The applicable coverages and limits required are determined “1 over 1”:

- “Tailor made” to each specific contract/grant, based on the work performed/services provided
- Identify possible loss exposures
- Eliminate any exposures you can and control those that cannot be eliminated
- Applicable limits are determined based on exposures
- Limits and coverages are adjustable based on a submission of subcontractor/grantee listing and job function form by the general contractor/grantee

Viability Partnership = Templates



For some Agencies – we are able to create templates:

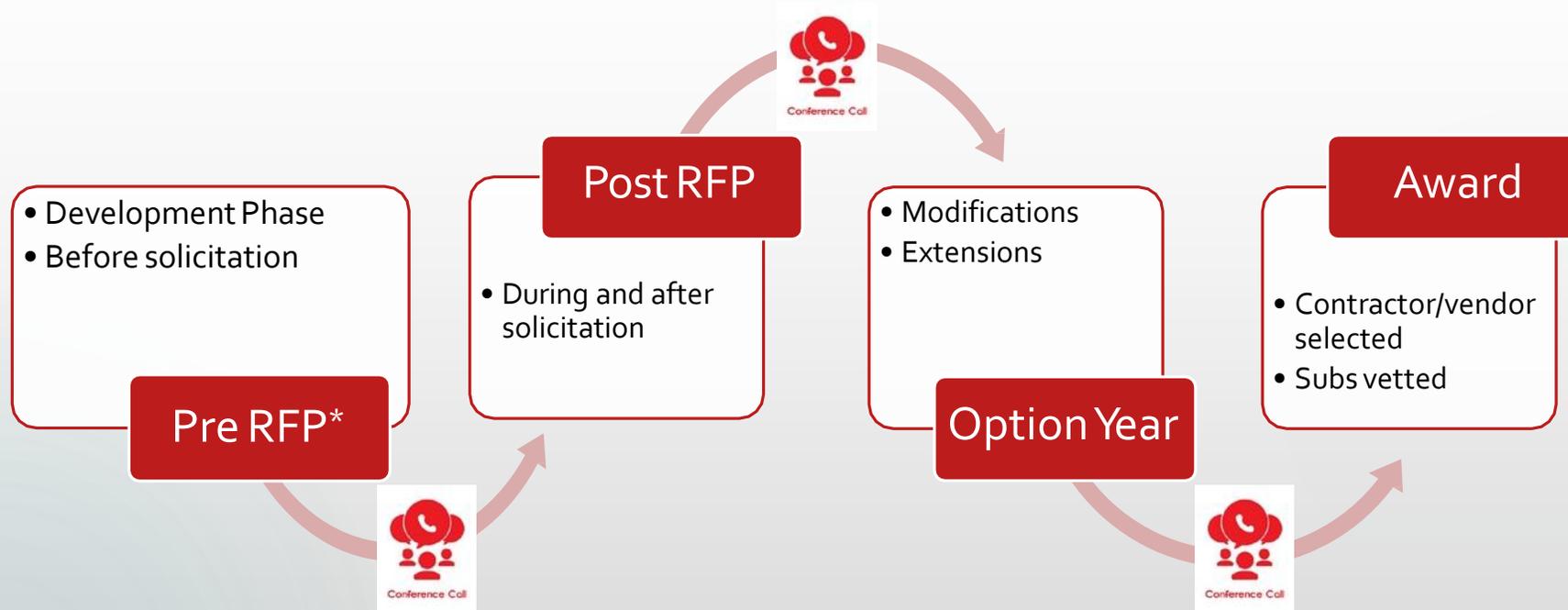
- **clear understanding of parameters**
- **process for compliance**

Exposure Evaluation is Key

- We need to know this to determine applicable coverages and limits.
- It is not necessarily linked to the amount of the contract/grant.
 - **Who** is the contract/grant with?
 - **What** are the exposures?
 - **When** – time period?
 - **Where** – will the service be performed?
 - **How** is the work being performed?
 - **Why** is the work being performed?



ORM Insurance Team Engagement



- ✓ Determine the insurance requirements for RFP / contracts / agreements / grants
- ✓ Provide insight regarding insurance requirements for “vendors”
- ✓ Procure insurance for the District as needed
- ✓ Conference calls with vendors /contractors to assist in meeting insurance requirements / understanding risks and exposures

The ORM team is always available for conference calls.

* Preferred engagement stage

Certificates of Insurance/Compliance

- Provide proof of required insurance
 - Effective date
 - Lines of Business
 - Limits
 - Carrier
 - Additional insured
 - Waiver of subrogation
 - The Government of the District of Columbia as the certificate holder
- May need to see a copy of the policy

Certificates of Insurance

ACORD **CERTIFICATE OF LIABILITY INSURANCE** DATE (MM/YY) **15**

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER 1.	CONTACT NAME: PHONE (A/C, H/L, Ext): FAX (A/C, H/L): FAX (A/C, H/L): ADDRESS: INSURER(S) AFFORDING COVERAGE	NAIC #
INSURED 2.	INSURER A: INSURER B: 3. INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES: _____ CERTIFICATE NUMBER: _____ REVISION NUMBER: _____

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

LINE	TYPE OF INSURANCE	INSR. AGD.	POLICY NUMBER	INSR. (MM/YY)	POLICY EFF. (MM/YY)	LIMITS
4.	GENERAL LIABILITY		5.	6.	7.	EACH OCCURRENCE \$
	COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (EA OCCURRENCE) \$
	CLAIMS-MADE <input type="checkbox"/> OCCUR <input type="checkbox"/>					MED EXP (Any one person) \$
						PERSONAL & ADV INJURY \$
	GEN'L AGGREGATE LIMIT APPLIES PER POLICY <input type="checkbox"/> PER <input type="checkbox"/> LOC <input type="checkbox"/>					GENERAL AGGREGATE \$
	AUTOMOBILE LIABILITY					PRODUCTS - COMP/OP AGG \$
	ANY AUTO <input type="checkbox"/>					SCUBED SINGLE LIMIT (EA OCCUR) \$
	ALL OWNED AUTOS <input type="checkbox"/>					BOODY INJURY (Per person) \$
	HELD AUTOS <input type="checkbox"/>					BOODY INJURY (Per person) \$
	UMBRELLA LIAB <input type="checkbox"/>					PROPERTY DAMAGE (Per accident) \$
	EXCESS LIAB <input type="checkbox"/>					PROPERTY DAMAGE (Per accident) \$
	RETENTIONS					EACH OCCURRENCE \$
	WORKERS COMPENSATION AND EMPLOYERS LIABILITY					AGGREGATE \$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED? (Mandatory in HI) (If yes, specify under DESCRIPTION OF OPERATIONS below)	Y/N				WC STATUTE OTHER LIMITS \$
						EL EACH ACCIDENT \$
						EL DISEASE - EA EMPLOYEE \$
						EL DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 104, Additional Remarks Schedule, if more space is required)

11.

CERTIFICATE HOLDER 12.	CANCELLATION 13. SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 14.

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